

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

Jean Ritter,)	
Dennis Webster,)	
Robert Jastrzab,)	
Randy Feldman,)	
Susan Sheuerman,)	
Chris Moen,)	
Paul F. Banta,)	
and)	
James Herrick,)	
)	
Petitioners,)	Misc. Case No. 02-127
)	
v.)	
)	
United States Department of Justice,)	
)	
Respondent.)	

SUPPLEMENTAL DECLARATION OF SUSAN dEMARS

I, Susan deMars, do hereby declare:

1. I am Senior Vice-President and General Counsel of AdvancePCS, Inc. ("AdvancePCS"). Prior to my current employment I was General Counsel of PCS Health Systems, Inc. ("PCS"). I am familiar with both the current business practices of AdvancePCS and the former business practices of PCS.
2. The information contained herein does not constitute a waiver of any applicable attorney-client or work product privileges in connection with my responsibilities at AdvancePCS or my former responsibilities at PCS.

Information Already Provided To The Government

3. In February 2000, the government advised PCS, a predecessor company of AdvancePCS, that it was conducting an "inquiry" of the PBM industry generally. The government advised that PCS was a "topic" of that inquiry and that the government was not in possession of any information that PCS had violated any federal law.

4. In early 2000, PCS voluntarily submitted a lengthy memorandum to the government to assist the government in understanding PCS's structure and business practices. I met with the government and offered to answer any questions regarding the memorandum and to provide additional information if necessary.

5. PCS expended substantial resources to generate a voluminous sample of financial records evidencing receipt of rebates from manufacturers and payment of those rebates to health plan customers to assist the government in determining what data was necessary to its investigation. To the best of my knowledge, the government has never requested that AdvancePCS produce *any* additional rebate data.

6. In addition to meeting with the government and providing financial records, PCS agreed in May 2000 to produce a large number of documents pursuant to a Health and Human Services Office of Inspector General ("HHS-OIG") subpoena.

AdvancePCS's Claim Processing and Benefit Management Services

7. AdvancePCS receives benefit information and coverage parameters from Blue Cross Blue Shield Association ("BCBSA"). AdvancePCS uses the information provided by BCBSA to facilitate the processing of prescriptions. This processing generally involves electronically advising the pharmacy of the coverage parameters. Every two weeks all prescriptions transmitted by pharmacies are batched and sent by AdvancePCS to BCBSA. BCBSA issues payment from its account to AdvancePCS for payment to the pharmacies that filled the prescriptions.

8. The fees billed to BCBSA for AdvancePCS's claim processing and benefit management services are generally fixed amounts provided by contract per prescription and/or service. The payments are dependent only on the number of prescriptions and/or performance of particular services.

I hereby declare the foregoing to be true and correct to the best of my knowledge.

Declarant

DATE: June 14, 2002